

Washington State Department of Transportation – NEWS

Alaskan Way Viaduct Replacement Program – 999 Third Ave., Suite 2200, Seattle, WA 98104

FOR IMMEDIATE RELEASE

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Contact: Chad Schuster, Alaskan Way Viaduct Replacement Program, 206-805-2869 (Seattle), 206-799-2574 (cell)

WSDOT Statement on FHWA Report

Statement by Transportation Secretary Lynn Peterson:

The Washington State Department of Transportation (WSDOT) is committed to seeing that all Washingtonians have access to the thousands of family-wage jobs generated by our projects. We establish goals for each project for disadvantaged business enterprise (DBE) participation, so that smaller, minority-owned businesses have a level playing field when competing for work.

Today, the Federal Highway Administration (FHWA) released a report in response to a complaint about DBE utilization on the SR 99 Tunnel Project. FHWA concluded that Seattle Tunnel Partners (STP), the SR 99 tunnel contract design-builder, created barriers and hardships for DBE firms trying to participate in the program and those actions don't conform to good faith efforts. FHWA also found WSDOT noncompliant for inadequate oversight of STP's efforts on utilizing DBE firms on the project and their responsibility for meeting the 8 percent DBE contract goal.

We take the findings in the FHWA report very seriously. DBE participation under the STP contract has been an issue of concern for WSDOT, and we have regularly communicated to STP our dissatisfaction with current efforts.

Program Administrator Todd Trepanier and I took action in recent months to improve oversight of STP's DBE utilization. We hired a consultant with expertise in building successful DBE programs to assess STP's efforts to date and develop recommendations for maximizing DBE utilization through project completion. Additionally, we assigned a dedicated staff member to support and monitor STP's efforts to increase DBE participation.

We are currently reviewing the report, received today, and when that review is complete:

- WSDOT will determine what actions are available and appropriate under the terms of the contract with STP in light of FHWA's findings. We intend to make that determination within 30 days.

- We are also in ongoing discussions with FHWA about our oversight of DBE compliance on this project. We will identify future actions necessary to address the issues they identified and will provide a response to FHWA within 30 days.

In addition, I am working with the Washington Attorney General's Office to hire an independent third party to review the FHWA findings and the documents used during the investigation, and to recommend next steps for the tunnel project. Those recommendations will be incorporated in the plan WSDOT will submit to FHWA outlining steps the agency will take to improve monitoring and oversight of DBE utilization.

WSDOT is committed to delivering the SR 99 Tunnel Project as a safe and reliable transportation project to Washington taxpayers, on time and on budget, and in a fair and equitable manner.

Until we have had an opportunity to review the report, WSDOT will not offer further comment on this issue.

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